

2011 Property Tax Report

Benton County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Benton County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Benton County

The average homeowner saw a 0.3% tax bill decrease from 2010 to 2011.

Homestead taxes in 2011 were 45.0% lower than they were in 2007, before the property tax reforms.

97.7% of homeowners saw lower tax bills in 2011 than in 2007.

36.0% of homeowners saw tax decreases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	1,055	46.8%	37	1.6%
No Change	182	8.1%	14	0.6%
Lower Tax Bill	1,015	45.1%	2,201	97.7%
Average Change in Tax Bill	-0.3%		-45.0%	
Detailed Change in Tax Bill				
20% or More	129	5.7%	26	1.2%
10% to 19%	162	7.2%	4	0.2%
1% to 9%	764	33.9%	7	0.3%
0%	182	8.1%	14	0.6%
-1% to -9%	810	36.0%	17	0.8%
-10% to -19%	141	6.3%	37	1.6%
-20% to -29%	23	1.0%	147	6.5%
-30% to -39%	12	0.5%	419	18.6%
-40% to -49%	6	0.3%	731	32.5%
-50% to -59%	2	0.1%	371	16.5%
-60% to -69%	2	0.1%	132	5.9%
-70% to -79%	3	0.1%	82	3.6%
-80% to -89%	5	0.2%	61	2.7%
-90% to -99%	2	0.1%	50	2.2%
-100%	9	0.4%	154	6.8%
Total	2,252	100.0%	2,252	100.0%

Note: Percentages may not total due to rounding.

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**HOMEOWNER TAX BILLS FELL
 BECAUSE A LARGE DROP IN
 TAX RATES OFFSET THE
 REDUCTION IN STATE AND
 LOCAL HOMESTEAD TAX
 CREDITS**
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Homestead Property Taxes

Homestead property taxes decreased 0.3% on average in Benton County in 2011. This was much less than the state average increase of 4.4%. Benton County homestead taxes were 45.0% lower in 2011 than they were in 2007, before the big tax reform. The state homestead credit was phased out in 2011. It had been 5.0% in Benton County in 2010. In addition, Benton County's local homestead credit declined in 2011, due to a drop in the local income tax. These two factors would have increased homeowner taxes, but tax rates fell substantially due to the addition of the wind turbines to property assessments. The lower tax rates offset the decline in homestead credits, resulting in a slight decrease in homestead taxes in 2011.

Tax Rates

Property tax rates decreased in every Benton County tax district. The average tax rate fell by 8.8% because the levy was nearly unchanged while there was an enormous increase in net assessed value. Levies in Benton County decreased by 0.4%. The biggest levy decreases were in several Benton Community School Corporation funds. The biggest increases were in various funds of the South Newton School Corporation, and the county unit. Benton County's total net assessed value increased 18.3% in 2011. (The certified net AV used to compute tax rates rose by 9.2%.) Business net assessments nearly doubled due to the new wind turbines. Apartments also saw a substantial 25.4% increase. Homestead net assessments decreased by 2.0%, while agricultural net assessments rose 3.2%. Other residential assessments showed a small decrease at 0.5%.

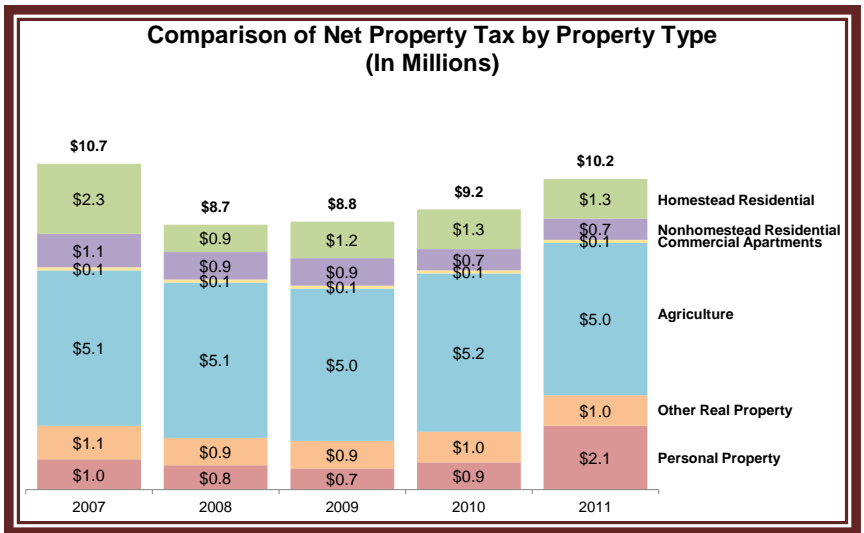
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*BIG INCREASES IN TAX BILLS FOR BUSINESS
AND APARTMENTS, DUE TO THE LARGE
INCREASE IN ASSESSMENTS; SMALL
CHANGES FOR OTHER PROPERTY*

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 10.9% in Benton County in 2011, much more than the statewide increase of 2.8%. A 62.4% rise in business tax bills was responsible for this increase. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased because of the large rise in business assessments, mainly due to the wind turbines. Apartments saw a 21.8% increase in tax bills, again due to increases in assessed value. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 0.7%. Agricultural tax bills fell 3.3% because falling tax rates offset the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED
SLIGHTLY IN 2011*

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Total tax cap credit losses in Benton County were \$284,685, or 2.6% of the levy. This was less than the state average loss rate of 9.2%, and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Benton County's tax rates were lower than the state median.

Most of the total tax cap credits were in the 2% nonhomestead/farmland category; the rest were in the 1% homestead category. The largest percentage losses were in the towns of Fowler, Boswell, and Oxford, where district tax rates are above \$2.60 per \$100 assessed value. The largest dollar losses were in Fowler, Benton Community Schools, and the county unit.

Benton County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$34,195	\$231,196	\$6,736	\$1,342	\$273,469	2.5%
2011 Tax Cap Credits	44,668	237,721	0	2,296	284,685	2.6%
Change	\$10,473	\$6,525	-\$6,736	\$954	\$11,216	0.1%

Tax cap credits increased slightly in Benton County in 2011 by \$11,216, or

4.1%. The added credits represent an additional loss of just 0.1% of the total tax levy. Most of the increase in tax cap credits was in the 1% tax cap category, which covers homesteads. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits caused much of the 1% tax cap credit increase.

The Effect of Recession

The construction of the wind turbines mean that the 2009 recession had little effect on Benton County local governments in pay-2011. The huge increase in business real and personal assessments swamped assessment changes in other categories. Tax rates in Benton were low to start and fell some more with the added assessed value. The drop in local homestead credits due to the lower local income tax distributions added a small amount to tax cap credit losses.

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*ADDED BUSINESS ASSESSMENTS MEANT
THAT THE RECESSION HAD LITTLE
EFFECT ON BENTON LOCAL
GOVERNMENTS*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$242,471,400	\$238,433,100	-1.7%	\$91,489,657	\$89,652,364	-2.0%
Other Residential	31,775,800	32,327,400	1.7%	31,612,338	32,156,610	1.7%
Ag Business/Land	378,923,200	391,032,145	3.2%	378,249,980	390,403,155	3.2%
Business Real/Personal	322,961,900	808,732,905	150.4%	101,367,640	201,012,187	98.3%
Total	\$976,132,300	\$1,470,525,550	50.6%	\$602,719,615	\$713,224,316	18.3%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Benton County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	14,707,240	15,110,052	10,738,546	10,967,751	10,920,846	2.7%	-28.9%	2.1%	-0.4%
State Unit	12,576	14,243	0	0	0	13.3%	-100.0%		
Benton County	3,110,391	3,212,933	2,677,789	2,805,468	2,890,005	3.3%	-16.7%	4.8%	3.0%
Bolivar Township	24,757	24,949	25,757	26,606	26,844	0.8%	3.2%	3.3%	0.9%
Center Township	53,462	53,789	55,658	57,872	60,331	0.6%	3.5%	4.0%	4.2%
Gilboa Township	12,282	11,458	12,792	12,584	14,451	-6.7%	11.6%	-1.6%	14.8%
Grant Township	17,137	17,921	18,751	19,452	19,718	4.6%	4.6%	3.7%	1.4%
Hickory Grove Township	47,855	50,052	51,183	53,793	55,391	4.6%	2.3%	5.1%	3.0%
Oak Grove Township	31,502	31,248	32,050	33,116	33,427	-0.8%	2.6%	3.3%	0.9%
Parish Grove Township	16,231	16,894	17,554	18,317	18,566	4.1%	3.9%	4.3%	1.4%
Pine Township	16,334	16,730	16,911	17,512	17,738	2.4%	1.1%	3.6%	1.3%
Richland Township	25,675	26,920	28,175	29,216	29,445	4.8%	4.7%	3.7%	0.8%
Union Township	10,669	10,904	11,383	11,782	11,929	2.2%	4.4%	3.5%	1.2%
York Township	12,931	13,506	13,433	14,071	14,459	4.4%	-0.5%	4.7%	2.8%
Ambia Civil Town	22,047	22,603	23,480	24,718	24,773	2.5%	3.9%	5.3%	0.2%
Boswell Civil Town	185,545	194,258	199,417	210,249	215,330	4.7%	2.7%	5.4%	2.4%
Earl Park Civil Town	50,729	52,999	54,304	57,188	57,548	4.5%	2.5%	5.3%	0.6%
Fowler Civil Town	815,423	829,670	846,400	888,532	909,146	1.7%	2.0%	5.0%	2.3%
Otterbein Civil Town	141,778	144,630	142,983	150,700	156,796	2.0%	-1.1%	5.4%	4.0%
Oxford Civil Town	237,444	245,195	251,157	258,729	267,162	3.3%	2.4%	3.0%	3.3%
Benton Community School Corp	8,233,630	8,360,591	5,134,281	4,968,777	4,662,660	1.5%	-38.6%	-3.2%	-6.2%
South Newton School Corp	411,093	499,966	230,449	364,357	501,519	21.6%	-53.9%	58.1%	37.6%
Tri County School Corp	632,070	773,798	350,451	366,065	343,921	22.4%	-54.7%	4.5%	-6.0%
Boswell Public Library	137,159	101,403	111,649	117,408	117,580	-26.1%	10.1%	5.2%	0.1%
Earl Park Public Library	27,141	26,117	26,840	28,271	28,739	-3.8%	2.8%	5.3%	1.7%
Otterbein Public Library	152,382	86,002	124,844	137,043	141,110	-43.6%	45.2%	9.8%	3.0%
Oxford Public Library	92,938	96,427	98,711	103,819	106,334	3.8%	2.4%	5.2%	2.4%
Benton County Public Library	166,938	165,346	172,400	181,838	186,555	-1.0%	4.3%	5.5%	2.6%
York Township Public Library	9,121	9,500	9,744	10,268	9,369	4.2%	2.6%	5.4%	-8.8%
Northwest Indiana Solid Waste Mgt Dist	0	0	0	0	0				

Benton County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates				LOIT Residential	LOIT Homestead	Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead			
04001	Bolivar Township	1.5532	11.3937%	--	5.2685%	--	--	--	--	1.2944
04002	Otterbein (Bolivar)	2.5437	11.3937%	--	1.2936%	--	--	--	--	2.2210
04003	Center Township	1.4219	11.3937%	--	15.1570%	--	--	--	--	1.0444
04004	Fowler (Center)	3.3449	11.3937%	--	1.3252%	--	--	--	--	2.9195
04005	Gilboa Township	1.2512	11.3937%	--	10.9933%	--	--	--	--	0.9711
04006	Grant Township	1.5420	11.3937%	--	7.0687%	--	--	--	--	1.2573
04007	Boswell (Grant)	3.2335	11.3937%	--	1.4234%	--	--	--	--	2.8191
04008	Hickory Grove Township	1.5014	11.3937%	--	12.2326%	--	--	--	--	1.1467
04009	Ambia (Hickory Grove)	2.6724	11.3937%	--	0.5629%	--	--	--	--	2.3529
04010	Oak Grove Township	1.5263	11.3937%	--	10.6825%	--	--	--	--	1.1894
04011	Oxford (Oak Grove)	3.1781	11.3937%	--	1.6394%	--	--	--	--	2.7639
04012	Parish Grove Township	1.3896	11.3937%	--	10.4116%	--	--	--	--	1.0866
04013	Pine Township	1.3971	11.3937%	--	5.8226%	--	--	--	--	1.1566
04014	Richland Township	1.4304	11.3937%	--	9.5979%	--	--	--	--	1.1301
04015	Earl Park (Richland)	2.5289	11.3937%	--	1.4548%	--	--	--	--	2.2040
04016	Union Township	1.3830	11.3937%	--	10.3942%	--	--	--	--	1.0817
04017	York Township	1.4170	11.3937%	--	13.7150%	--	--	--	--	1.0612

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Benton County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	44,668	237,438	0	2,296	284,402	10,920,846	2.6%
<i>TIF Total</i>	0	283	0	0	283	1,057	26.8%
<i>County Total</i>	44,668	237,721	0	2,296	284,685	10,921,903	2.6%
Benton County	6,004	33,060	0	335	39,399	2,890,005	1.4%
Bolivar Township	3	109	0	2	114	26,844	0.4%
Center Township	214	715	0	7	936	60,331	1.6%
Gilboa Township	0	0	0	0	0	14,451	0.0%
Grant Township	3	127	0	2	132	19,718	0.7%
Hickory Grove Township	0	68	0	0	68	55,391	0.1%
Oak Grove Township	16	324	0	1	341	33,427	1.0%
Parish Grove Township	0	0	0	0	0	18,566	0.0%
Pine Township	0	0	0	0	0	17,738	0.0%
Richland Township	0	33	0	0	33	29,445	0.1%
Union Township	0	0	0	0	0	11,929	0.0%
York Township	0	0	0	1	1	14,459	0.0%
Ambia Civil Town	0	1,290	0	0	1,290	24,773	5.2%
Boswell Civil Town	500	18,519	0	221	19,240	215,330	8.9%
Earl Park Civil Town	11	1,583	0	0	1,594	57,548	2.8%
Fowler Civil Town	24,305	81,036	0	788	106,129	909,146	11.7%
Otterbein Civil Town	146	5,922	0	135	6,203	156,796	4.0%
Oxford Civil Town	1,120	23,415	0	77	24,613	267,162	9.2%
Benton Community School Corp	11,497	63,309	0	605	75,410	4,662,660	1.6%
South Newton School Corp	0	0	0	40	40	501,519	0.0%
Tri County School Corp	0	0	0	0	0	343,921	0.0%
Boswell Public Library	58	2,153	0	26	2,237	117,580	1.9%
Earl Park Public Library	1	84	0	0	85	28,739	0.3%
Otterbein Public Library	30	1,197	0	27	1,254	141,110	0.9%
Oxford Public Library	108	2,264	0	7	2,380	106,334	2.2%
Benton County Public Library	652	2,229	0	21	2,902	186,555	1.6%
York Township Public Library	0	0	0	1	1	9,369	0.0%
Northwest Indiana Solid Waste Mgt Dist	0	0	0	0	0	0	
TIF - Boswell (Grant) (006)	0	283	0	0	283	1,057	26.8%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.